

Ingredion Inc  
Form 10-Q  
August 01, 2014

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**Form 10-Q**

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(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**FOR THE QUARTERLY PERIOD ENDED June 30, 2014**

or

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

COMMISSION FILE NUMBER 1-13397

# Ingredion Incorporated

(Exact name of Registrant as specified in its charter)

**DELAWARE**

(State or other jurisdiction of incorporation or organization)

**22-3514823**

(I.R.S. Employer Identification Number)

**5 WESTBROOK CORPORATE CENTER,  
WESTCHESTER, ILLINOIS**

(Address of principal executive offices)

**60154**

(Zip Code)

**(708) 551-2600**

(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

(Check one):

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Large accelerated filer

Accelerated filer

Non-accelerated filer   
(Do not check if a smaller reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

**CLASS**  
Common Stock, \$.01 par value

**OUTSTANDING AT July 30, 2014**  
74,904,000 shares

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## PART I FINANCIAL INFORMATION

## ITEM 1

## FINANCIAL STATEMENTS

## Ingredion Incorporated ( Ingredion )

## Condensed Consolidated Statements of Income

(Unaudited)

(In millions, except per share amounts)	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
Net sales before shipping and handling costs	\$ 1,568.2	\$ 1,715.4	\$ 3,003.0	\$ 3,377.9
Less: shipping and handling costs	85.5	82.0	163.2	160.6
Net sales	1,482.7	1,633.4	2,839.8	3,217.3
Cost of sales	1,186.8	1,357.4	2,294.1	2,635.7
Gross profit	295.9	276.0	545.7	581.6
Operating expenses	137.2	138.5	269.6	274.1
Other (income), net	(3.9)	(2.6)	(8.8)	(7.7)
Operating income	162.6	140.1	284.9	315.2
Financing costs, net	17.2	16.3	33.8	33.0
Income before income taxes	145.4	123.8	251.1	282.2
Provision for income taxes	40.8	27.1	71.3	73.5
Net income	104.6	96.7	179.8	208.7
Less: Net income attributable to non-controlling interests	2.0	1.6	4.6	2.9
Net income attributable to Ingredion	\$ 102.6	\$ 95.1	\$ 175.2	\$ 205.8
Weighted average common shares outstanding:				
Basic	74.9	77.6	74.8	77.5
Diluted	76.0	78.9	75.9	78.8
Earnings per common share of Ingredion:				
Basic	\$ 1.37	\$ 1.22	\$ 2.34	\$ 2.65
Diluted	\$ 1.35	\$ 1.20	\$ 2.31	\$ 2.61

See Notes to Condensed Consolidated Financial Statements



## PART I FINANCIAL INFORMATION

## ITEM 1

## FINANCIAL STATEMENTS

## Ingredion Incorporated ( Ingredion )

## Condensed Consolidated Statements of Comprehensive Income (Loss)

(Unaudited)

(In millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
Net income	\$ 105	\$ 97	\$ 180	\$ 209
Other comprehensive income (loss):				
Gains (losses) on cash-flow hedges, net of income tax effect of \$12, \$8, \$1 and \$11, respectively	(25)	(16)	1	(26)
Amount of (gains) losses on cash-flow hedges reclassified to earnings, net of income tax effect of \$-, \$2, \$6 and \$5, respectively		3	13	(8)
Losses related to pension and other postretirement obligations reclassified to earnings, net of income tax effect	1	2	2	3
Unrealized gain on investment, net of income tax effect		1		1
Currency translation adjustment	37	(88)		